Amendments to Specification

1) Please replace paragraph [0038] with the following paragraph:

[0038] A further embodiment regarding the value of the incentive award occurs when the award includes an investment in which the business entity can issue as the incentive award dilutive instruments of ownership in its own value or in that of a related company, such as a subsidiary. Dilutive instruments of ownership as used herein are instruments selected from the group consisting of shares, restricted stock, options, or warrants that by their issuance lead to dilution of unit value of previously issued instruments. For instance, issuing 5% more share will tend to reduce the unit value of previously issued shares by 5%, and the [[M]]market [[C]]capitalization value will tend to remain unchanged.

2) Please replace paragraph [0080] with the following paragraph:

[0080] Regardless of which party chooses the investments as the incentive award, the signals representing the data indicating the choice of investments are processed using the stored logic to result in a calculated value of the incentive award. The calculated result is stored in a database in the storage device so that an account for the recipient is created in the database. Providing the incentive award ~~can~~ occurs when the value of the award is calculated and credited to the recipient's account and ~~can~~ continues for the duration before the award is cashed-in. During the providing period, signals are periodically transmitted to the recipient, which represent data descriptive of a periodic statement of the recipient's account.

3) Please replace paragraph [0084] with the following paragraph:

[0084] The present apparatus performs the general embodiment of the incentive award method as well as the embodiments of that method that use a communications network or are conducted through an Internet portal that incorporate an identifying certifying mark, and that include a lottery prize as the incentive award, all of which are described above. The present invention ~~also~~ performs the steps of the implementation method also described above.

4) Please replace paragraph [0094] with the following paragraph:

[0094] Incentive award programs typically give recipients extra value for participating in a transaction. In accordance with the present invention, recipients are provided a chosen investment as an incentive award. Upon cashing in the chosen investment after the elapse of a period of time, the recipient's incentive award can be of greater value than when it was granted. Inasmuch as the incentive award can be perceived as a cost-free benefit to the recipient, the potential to receive even greater value by having the investment grow during a pre-cashing in period can be a strong incentive to recipients to participate in such rewarded transactions. In turn, commercial parties are also strongly encouraged to pay a participating fee to the business entity to have their business transactions so rewarded[[.]],[[P]]particularly in commodity, or semi-commodity, market sectors in which strong brand names are not present and in which a strong incentive program could lead to market share gains by its proponents.

5) Please replace paragraph [0098] with the following paragraph:

[0098] This method of ~~finding~~ funding an award exists in the prior art primarily in the context of employee incentives in which shares are granted in the equity of the employer company, beneficiaries are most frequently senior executives, the incentive is not paid unless a pre-defined performance objective is achieved and the recipient is typically required to pay a predetermined option price at such time as the recipient elects to accept the incentive that has been offered. The present invention differs significantly from the narrow prior art means of providing a single investment vehicle, subject to performance requirements, as an incentive by an employer to an executive employee.

6) Please replace paragraph [0099] with the following paragraph:

[0099] An aspect of embodiments of the present invention is that bounds are placed on the amount of dilutive equity granted to recipients, no matter how many they may be, yet the method can self-adjust to accommodate cashing in of substantial awards by as many or as few recipients as there may be. Key elements in these embodiments of the method include granting no more than a defined portion of the equity in a given period, granting no more than a known portion of the equity no matter how long the method is employed and relating the cashing-in value of the award to the price per share of the granted equity at the time of cashing-in. The embodiments of the method that restrict the granting of equity ensure that the

business model has long term viability. They are likely to foster a favorable appraisal of the business entity by economic analysts and this appraisal will ~~be~~ likely ~~to~~ be positively reflected in the price of shares in the equity of the business entity. A strong share price, arising from a sound business model, will tend to furnish recipients with substantial awards when cashed in. Indeed, the greater the volume of profitable business conducted by the business entity, the proportionally higher its unit share price is likely to be, whereby embodiments of the business method enable an essentially unlimited number of recipients to have the prospect of cashing in awards of substantial value.

7) Please replace paragraph [0109] with the following paragraph:

[0109] Referring again to **FIG. 1**, business entity ("BE") **25** is an authorized operator of the incentive award method by virtue of the licensing fee, indicated by arrow **22** to owner **5**. Fee **22** gives BE **25** the authority to carry out the method of providing incentive awards in credit card transactions **20**. As exemplified, BE **25** has contracted with American Express Credit Division **28** and ~~TP~~ Citibank Master Card **30** as transacting parties ("TP"), whereby BE **25** rewards the credit card transactions in which **28** and **30** participate. In return, American Express **28** and Citibank **30** have paid to BE **25** a participating fee indicated by arrows **24** and **26**, respectively. A participating fee may be a per-transaction fee, calculated as a percentage of the total revenue amount of the transaction; a flat sum paid annually; a stepped fee, i.e., wherein different fee amounts are paid depending on the occurrence of certain milestones; or the like. In determining what fee amount a transacting party pays, the business entity may consider any number of commercial variables, such as the geographical location of the transaction; whether the transaction value exceeds a monetary amount; seasonal variation in consumer buying, etc. In **FIG. 1**, those fees which fund the incentive award program are indicated by arrowheads with an accompanying U.S. dollar sign, which means a fee amount in any currency.

8) Please replace paragraph [0110] with the following paragraph:

[0110] TPs American Express **28** and Citibank **30**, by virtue of the participating fee paid by them, may each negotiate with BE **25** the right to specify which class(es) of other parties participating in transactions with them will be recipients ("R") of the incentive award. In addition, the BE may also designate certain transacting parties as recipients. In transaction set

20, one exemplary class of recipients can include the purchasing credit card consumer, identified here as R **33**. Another exemplary class of recipient, identified as R **35**, may be a sales clerk~~.~~ who achieves a sales goal. Also, shown here is the step afforded by the present method in which a recipient, R **35**, designates a third-party beneficiary, B **39**, to receive the award instead.

9) Please replace paragraph [0111] with the following paragraph:

[0111] Referring now to **FIG. 3**[[**, a**]] , a further embodiment **300** of carrying out credit card transactions using the incentive award method is illustrated therein. Moreover, embodiment **300** shows the potential offered by the present method to add additional layers of fee-paying transacting parties and rewarded recipients. The owner **305** of the incentive award program has the same relationship with business entity **325** for carrying out American Express and Citibank credit card transactions **320** as that exemplified in **FIG. 1**. However, **FIG. 3** illustrates that high-end retailer transacting parties **335**, such as Cartier, Tiffany, Bergdorf-Goodman, have contracted with TP **328** American Express to reward sales clerks, exemplified by R **337**.

10) Please replace paragraph [0120] with the following paragraph:

[0120] FIG. 4 illustrates in a more detailed fashion one embodiment of the present invention for car sales to consumers, identified as transaction set **400**. For example, TP **420** is a distributor of Ford vehicles for the Eastern coast of the United States, whereby TP **420** supplies Ford vehicles to various car dealerships from Maine to Maryland. One of the business goals of TP **420** is to gain market share without having to discount the price of automobiles in its inventory to the dealerships it supplies. To accomplish this goal, TP **420** contracts with BE **410**, say, e.g., Ford Motor Company, to provide ~~inventive~~ incentive awards to its dealerships. Ford is a business entity that can provide an incentive award that comprises an investment in dilutive instruments of ownership in its own equity value, i.e., Ford can provide incentive awards of its own stock, in a tracking stock or other instrument. TP **420** pays participating fee **430** to BE **410** to reward dealerships R **440** and consumers R **450** with incentive awards, represented by arrows **460** and **470**, respectively. In this way, distributor TP **420** can accomplish its business goals of achieving undiscounted sales at two levels, that of the dealership and that of the consumer.

11) Please replace paragraph [0121] with the following paragraph:

]0121] Moreover, ~~the~~ dealerships R **440** can in turn utilize the incentive award to motivate their ~~its~~ sales personnel to increase ~~its~~ sales by designating them as beneficiaries of the incentive award provided by the BE **410**. Beneficiary designation is exemplified at arrow **480**, the beneficiaries are identified at node B **490** and the providing of the incentive award to the beneficiaries is identified by arrow **465**. In this way, the present invention can be used by businesses to award designated employees through the practice of identifying beneficiaries of the corporate recipient's awards. The present invention, through the practice of beneficiary designation, allows investment incentive awards to be provided in hierarchically-nested patterns whereby a corporate recipient passes along rewards to certain employees. In other words, the present invention offers a mechanism to corporate recipients for creating an internal incentive award program without an administrative or operating cost which serves to encourage corporations to participate as recipient-transacting parties in the present incentive award method.

12) Please replace paragraph [0152] with the following paragraph:

[0152] What follows are examples of how the present invention may work in various transaction contexts. These examples are merely illustrative and do not limit the practice of the present invention ~~to these examples~~.